

Message Text

UNCLASSIFIED

PAGE 01 MANILA 07706 110417Z
ACTION EA-12

INFO OCT-01 EB-08 ISO-00 XMB-04 INT-05 EUR-12 /042 W
-----066699 110420Z /14

R 110259Z MAY 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 0000
USDOC WASHDC

UNCLAS MANILA 07706

PASS TO EXIM

USDOC FOR MPD

E.O. 11652: N/A
TAGS: EMIN, EFIN, RP
SUBJECT: MAJOR PROJECTS: PHILIPPINE COPPER SMELTER -
UPDATE

REF: 77 MANILA 16807

1. PRESIDENT MARCOS ANNOUNCED MAY 9 THE PHILIPPINE COPPER SMELTER PROJECT WILL BE BUILT IN THE TOWNS OF PALOMPON AND ISABEL NEAR ORMOC CITY IN LEYTE. THIS RESOLVES THE SITE SELECTION PROBLEM THAT HAS BEEN ONE FACTOR DELAYING THE PROJECT. AVAILABILITY OF GEOTHERMAL POWER POTENTIAL IN LEYTE WAS CITED AS THE PRIMARY REASON FOR SELECTING THAT SITE.

2. EMBOFF HAS LEARNED FROM PROJECT MANAGERS THAT SMELTER CAPACITY IS NOW CONFIRMED TO BE 138,000 TONS/YEAR VICE 84,000 AS PREVIOUSLY PLANNED. INCREASE BASED ON ECONOMIES OF SCALE. SIMON-CARVES OF CANADA HAS A LETTER OF INTENT TO SUPPLY THE SULPHURIC ACID PLANT. EDCC FINANCING WILL BE USED, BUT CANADIANS WON BID ON PRICE ALONE. PASAR WILL ASK FOR REBIDS ON THE EIGHT OTHER MAJOR COMPONENTS FROM
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANILA 07706 110417Z

SAME FIRMS THAT BID IN 1976/77. THE MARUBENI TURN-KEY PROPOSAL WAS REJECTED AS BEING 45 PCT MORE COSTLY THAN PASAR PROJECT MANAGEMENT APPROACH. PASAR HAS OFFERS OF 100 PCT FINANCING OF EQUIPMENT SUPPLY (ABOUT 100 MILLION DOLLARS) FROM GOVERNMENT EXPORT FINANCING ENTITIES IN CANADA, ENGLAND, AND JAPAN, AND AN OFFER TO SUPPLY 25 PCT OF EQUIPMENT WITH FINANCING FROM SPAIN. TERMS ARE IN

RANGE OF 8 PCT WITH FOUR YEAR GRACE AND TEN YEARS REPAYMENT. CANADIANS HAVE NOT TIED FINANCING TO

100 PCT CANADIAN SUPPLY BUT RATHER HAVE INDICATED WILLINGNESS TO ALLOW SOME SHARE, PRESUMEDLY MINORITY, OF EQUIPMENT TO BE SOURCED FROM THIRD COUNTRY IF PRICE IS APPRECIABLY BETTER, ACCORDING TO PASAR SOURCE.

3. ARTHUR G. MCKEE WILL CONTINUE TO BE PROJECT DESIGN ENGINEERS. PASAR MANAGEMENT ENGINEER STATES THERE ARE NO OPPORTUNITIES FOR U.S. FIRMS OTHER THAN THOSE ALREADY CONTACTED BY EITHER MCKEE OR PASAR. TOUSSAINT

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 11 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA07706
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780199-0635
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780570/aaaachat.tel
Line Count: 74
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3b278ea0-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 MANILA 16807
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2724745
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECTS: PHILIPPINE COPPER SMELTER - UPDATE
TAGS: EMIN, EFIN, RP
To: STATE COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3b278ea0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014